BRITISH COLUMBIA

BC STATS Infoline

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highlights

a weekly digest of recently released British Columbia statistics

Population

- **British Columbia gained 13,586 persons as a result of net migration from all sources during the third quarter of 1997.** This was 29% less than in the same quarter of 1996. Net interprovincial migration was down 53% to 3,618, while net international migration declined 14% to 9,968.

  One factor contributing to the slower interprovincial migration was a net outflow of 2,321 people from BC to Alberta. However, there was a continued inflow to BC from other provinces, with Ontario (2,108), Quebec (1,388) and Manitoba (990) making the largest contributions. *Source: BC STATS*

- **During the first nine months of 1997, BC received 39,078 immigrants from other countries, an increase of 1.0% over the same period of 1996.** Nationally, immigrant landings were up only marginally, increasing 0.1% to 171,103. BC continued to account for more than a fifth of all immigration to Canada. The leading source countries of immigrants to BC were Taiwan (20%), Hong Kong (19%), China (10%) and India (10%). *Source: BC STATS*

- **The province's population increased 1.9% to 3,943,900 during the twelve-month period ending October 1st.** For the first time since 1989, BC did not have the fastest-growing population in Canada, as Alberta (2.2%) edged ahead. However, both provinces grew at rates almost double the national average. Canada's population increased 1.1% to 30,377,800. In other provinces, population growth ranged from 0.0% in New Brunswick to 1.3% in Ontario. Newfoundland (-1.5%) was the only province where the population declined. *Source: Statistics Canada*

Employment

- **The number of people with jobs in the province increased 1.8% last year to 1,838,000.** Nationally, employment was up 1.9%, to 13.9 million people. Job growth was strongest in Alberta (3.1%), Saskatchewan (2.8%) and Manitoba (2.4%). In Ontario, the number of people with jobs increased 1.9%, and lower employment growth occurred in the rest of the country. PEI (0.7%) had the smallest job growth last year. BC's employment growth was below the national average for the first time since 1985. *Source: Statistics Canada, Labour Force Survey*

- **After growing 3.8% in 1996, the number of jobs in the province's goods sector remained virtually unchanged in 1997, increasing 0.1% to 430,000.** The weak growth in the goods sector was due to fewer jobs in manufacturing (-3.1%) and agriculture (-0.9%). In the service sector, employment rose 2.3% in 1997, led by increases in the number of jobs in transportation, storage and communication (+6.1%), community, business and personal services (+5.5%) and wholesale and retail trade (+2.0%). Three out of four jobs in BC are in the service sector. *Source: Statistics Canada, Labour Force Survey*

- **The number of British Columbians receiving regular employment insurance (EI) benefits continued to decline in November.** There were 67,270 regular EI recipients (seasonally adjusted) in BC in November, 1.3% less than in October. Nationally, the number of EI recipients fell 2.2% to 576,640. PEI (+0.5%), Newfoundland (+0.3%) and Yukon (+0.2%) were the only regions where there were more EI recipients in

Report **Duration of unemployment**

Did you know...?
Motor vehicle theft cost the Canadian insurance industry almost $600 million in 1995/96

November than in October. In Alberta, the number of recipients was down sharply (-7.7%), and relatively large declines were also seen in Saskatchewan (-5.4%) and Manitoba (-3.6%).

Source: Statistics Canada

Motor vehicle theft

- **Thieves stole 35,747 vehicles in British Columbia in 1996.** BC's car theft rate (number of thefts per 100,000 registered vehicles) was the highest in the country, at 1,627. Manitoba (1,518) and Quebec (1,258) were the only other provinces where the car theft rate was above 1,000. Rates in the rest of the country ranged from 184 in Newfoundland to 928 in Saskatchewan. The national average was 1,043.

  The likelihood of having a vehicle stolen has increased significantly since the beginning of the decade. BC's vehicle theft rate has risen more than a third (36%) since 1991, when it was 1,197. Nationally, the theft rate has risen 23%. Theft rates were down in Alberta and most parts of eastern Canada. The largest increases were in Manitoba (190%) and Saskatchewan (81%).

  Source: SC, Juristat, catalogue 85-002-XPE

Marriage and Divorce

- **There were 22,834 marriages performed in British Columbia in 1996.** This was 3.2% less than in the previous year, when 23,597 couples were married. British Columbia's marriage rate (the number of marriages per 1,000 population) fell 0.4 points to 5.9. Canada's marriage rate was lower (5.2) largely because the national average is pulled down by a very low marriage rate in Quebec (3.2). Marriage rates in other provinces ranged from 5.5 in Saskatchewan to 6.7 in PEI. Alberta (6.2) was the only other province with a higher marriage rate than BC's.

  Source: Statistics Canada

- **Between 1976 and 1996, the number of marriages performed in Canada declined almost 20%, from 193,343 to 156,692.** Fewer couples were married in all provinces except BC, where the number increased 6% from 21,536 to 22,834. During the same period, however, BC's population increased more than 50%. The province's marriage rate in 1976 was 8.5, the second highest in the country after Alberta (9.5).

  Source: Statistics Canada

- **The number of divorces granted in BC increased 5.2% to 10,898 in 1996.** BC was one of only two provinces (Newfoundland was the other) where the number of divorces increased. Nationally, 71,528 couples officially dissolved their marriages, 7.9% fewer than in the previous year. BC's divorce rate (number of divorces per 100 marriages) was the second-highest in the country in 1996. The divorce rate was 45.0, compared to a national average of 36.9. Quebec (45.7) had the highest divorce rate, while and PEI (24.0) had the lowest rate in the country.

  Source: Statistics Canada

The Nation

- **Canada's economy faltered in November, as real GDP at factor cost fell 0.3% (seasonally adjusted).** About 40% of the overall drop was attributed to the strike at Canada Post. GDP in the communications industry, which includes postal services, was down 2.4%. Most sectors of the economy were weak. The wholesale (-1.3%) and retail (-1.0%) industries lost steam, manufacturing slipped (-0.2%), and mining (-0.9%) was sluggish. However, the accommodation and food services sector advanced 1.5%, and GDP in the construction industry was 0.9% higher than in October. Business (0.5%) and government (0.4%) services also bucked the downturn in the economy. *Source: Statistics Canada*

- **The weakening value of the Canadian dollar began to make itself felt in the prices of goods produced in the country.** Canada's overall industry product price index (IPPI) edged up 0.8% in 1997, after growing 0.4% in the previous year. Excluding the exchange rate effect, the IPPI would have increased 0.6% last year, and 0.6% in 1996. The effect of exchange rate increases is most significant for motor vehicles, pulp, paper and wood products, because prices for these commodities are often quoted in US dollars. *Source: Statistics Canada*

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For data originating from Statistics Canada: data sourced to 'Statistics Canada' has been retrieved from CANSIM, the agency's electronic database; otherwise the source is identified as 'SC' plus the publication name or catalogue number.

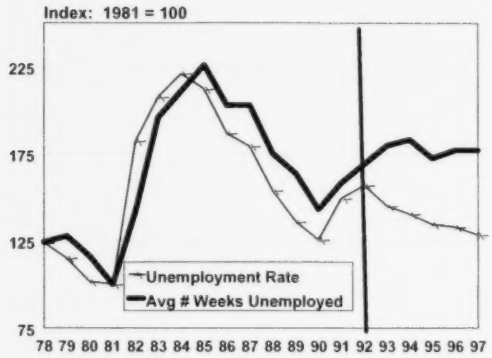
Infoline Report:

January 30, 1998

The Duration of Unemployment has not been responding to the reduction in unemployment

Originally published in Sept. 1997 issue of *Earnings & Employment Trends.* An annual subscription is $60 + GST

The Duration of Unemployment has not been responding to the reduction in unemployment.



Normally, the unemployment rate has been considered an indicator of how difficult it is to find a job. As unemployment increases, resulting in more people competing for available jobs, it makes sense that it will take longer to find work. The result is that average duration of unemployment will increase. The reverse holds true in the opposite direction. The chart above shows that historically this relationship was solid -- the unemployment rate and the duration of unemployment tracked each other very closely.

Since the early 90's, that relationship has changed so that now the two indicators are diverging. The duration of unemployment no longer appears to respond favourably to falling unemployment rates.

For the first 10 months of 1997, the average unemployment rate was a relatively healthy 8.7 percent and yet the duration of unemployment hovered around the 20 week mark, a level more consistent with an unemployment rate of 11 or 12 per cent. This new phenomenon does not appear to be affecting any particular demographic group....duration is up for all age groups and for both men and women. So what is causing this structural change in the BC labour market?

Changes to the Unemployment Insurance Program

Accompanying the labour market shifts of the 90s, there have been ongoing changes to the Unemployment Insurance (UI) regulations. In 1991 and again in 1994 there was a tightening up of eligibility requirements and the number of weeks claimants were entitled to benefits; in 1993, job quitters were no longer entitled to collect UI; and 1996 saw the Unemployment Insurance Act and the National Training Act merged into the Employment Insurance Act.

The coincidence of timing between the increase in the duration of unemployment alongside the revamping of government social programs suggests there may be a cause and effect at work. Below, we will investigate this premise.

How the changes to the UI regulations would impact the duration of unemployment.

As it becomes more difficult for workers to collect UI, they become more reluctant to leave a job unless they have another one already lined up. In addition, if they do lose a job they have a greater incentive to find another job as quickly as possible. In general, all things being equal when there is a tightening up of UI regulations the average duration of unemployment is expected to decline. However, as noted, the duration of unemployment has gone in the other direction, increasing rather than decreasing. Why?

Upon examination, a feature that stands out as having changed since 1992 is the declining importance of lay-offs and quits on the unemployment rate. At the beginning of the 90's, more than 75 per cent of the unemployed had been employed, that is, they had quit a job or lost a job. So far in 1997 that number has decreased to 61 per cent. This means that today 39 per

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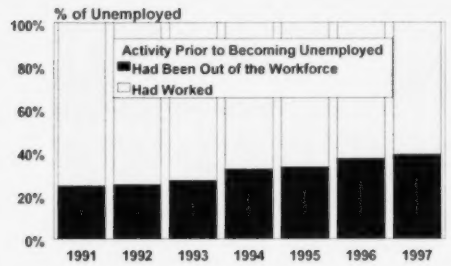
cent of the unemployed had previously been out of the labour market, i.e. going to school, keeping house, etc. This is an historical high.....as well, the per cent has been climbing rapidly over the last five years.

New Entrants and Re-entrants to the Workforce.
Their % of the Unemployed Has Increased over the 90s.



The situation shown above is consistent with the tightening up of UI. Job holders will now be more reluctant to lose or leave a job and hence will be less likely to become unemployed. Because there are only a fixed number of jobs to go around, if there is not as much flow between employed and unemployed, the new-comers into the job market will comprise an increased proportion of the unemployed.

This could explain why the duration of unemployment is currently abnormally high. If the unemployment rate is dropping it usually means that more people are being hired than are being laid-off. For the duration of unemployment to be increasing under these circumstances, it must mean that the shorter term unemployed are finding jobs more readily than the longer-term unemployed.

Now with ex-workers having a greater incentive to find work immediately, the young and other new/re-entrants are probably more likely to be shunted to the back of the unemployed queue. (This would explain the increase in the average duration of unemployment.) If this is the case, ironically, the tightening up of UI could be hampering youth (and other new/re-entrants) in their search for work.

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BC at a glance . . .

POPULATION (thousands)	Oct 1/97	% change on one year ago
BC	3,943.9	1.9
Canada	30,377.8	1.1
GROSS DOMESTIC PRODUCT		% change on
(BC - at market prices - $ millions)	1996	one year ago
Current Dollars	103,631	1.7
Constant (1986) Dollars	74,001	1.0
TRADE ($ millions)		
Manufacturing Shipments (seas. adj.) Nov	2,816	-2.6
Merchandise Exports (raw) Nov	2,055	1.9
Retail Sales (seasonally adjusted) Nov	2,731	0.2
CONSUMER PRICE INDEX		% change on
(all items - 1986=100)	Dec '97	one year ago
BC	139.2	0.4
Canada	137.8	0.7
LABOUR FORCE (thousands)		% change on
(seasonally adjusted)	Dec '97	one year ago
Labour Force - BC	2,011	-0.5
Employed - BC	1,837	-0.3
Unemployed - BC	173	-2.7
		Dec '96
Unemployment Rate - BC *(percent)*	8.6	8.8
Unemployment Rate - Canada *(percent)*	8.6	9.8
INTEREST RATES (percent)	Jan 28/98	Jan 29/97
Prime Business Rate	6.00	4.75
Conventional Mortgages - 1 year	6.40	5.20
- 5 year	6.85	7.25
US/CANADA EXCHANGE RATE	Jan 28/98	Jan 29/97
(avg. noon spot rate) Cdn $	1.4567	1.3453
US $ *(reciprocal of above rate)*	0.6865	0.7433
AVERAGE WEEKLY EARNINGS		% change on
(industrial aggregate - dollars)	Nov '97	one year ago
BC	615.25	-0.2
Canada	601.83	1.5

SOURCES:
Gross Domestic Product: Statistics Canada, revised by BC STATS
Population, Trade, Prices, Labour Force, Earnings: Statistics Canada
Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

October 1 Population Figures

The population data in *BC at a glance* has been updated. With this update there have been revisions back to 1991 so users of this data should ensure that they refresh data bases.

Released this week by BC STATS

- Earnings & Employment Trends, October 1997
- Business Indicators, January 1998
- Current Statistics, January, 1998
- Immigration Highlights, First 3 Quarters of 1997
- Migration Highlights, Third Quarter 1997

Next week

- Tourism Room Revenue, October 1997
- Exports, November 1997

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